25 March 1987

Casey Is Termed the Mastermind Of Efforts to Supply the Contras

By DAVID E. ROSENBAUM

Special to The New York Times

WASHINGTON, March 24 — Congressional investigators have clear indications that William J. Casey, the former Director of Central Intelligence, masterminded the Reagan Administration's efforts to help the Nicaraguan rebels get military supplies, according

to two Senators and a Representative.

The lawmakers, members of the special committees investigating the Irancontra affair, did not say what specific evidence they had. But other legislators and staff assistants said actions taken by Mr. Casey, who is critically ill with a brain tumor, had become a central focus of the committees' investigation.

They said they did not know whether Mr. Casey was involved in channeling

money from the secret weapons sales to Iran to the contras.

In testimony last year before he was hospitalized, Mr. Casey denied any role in supplying the Nicaraguan insurgents. Robert M. Gates, the acting director of the agency, who was Mr. Casey's deputy, said in Congressional testimony last month that neither Mr. Casey nor the agency as a whole took part in activities prohibited by Congress.

A C.I.A. spokesman, asked today about the possible involvement of senior agency employees in Washington with contra supply efforts, said:

"The C.I.A. had a longstanding policy, which it reiterated to employees twice, of avoiding agency involvement with the contras' private benefactors. There is no basis for stating that senior agency officials authorized any activities contrary to that policy."

'Fingerprints Are Everywhere'

But the lawmakers and staff assistants, who spoke on condition that they not be identified, said they believed Mr. Casey had encouraged Lieut. Col. Oliver L. North, then on President Reagan's National Security Council staff, to organize the supply operation. Mr. Casey, they said, had probably told

Colonel North that the President wanted him to do it.

They said Mr. Casey had turned to Colonel North to coordinate the operation to mask the C.I.A.'s involvement and to avoid having to report the matter to Congress.

That would explain, a Republican lawmaker said, how a relatively low-ranking Marine officer like Colonel North, who was unlikely to have acted without orders, could have been in the position of directing such an important foreign policy operation. It would also explain, the legislator said, why Colonel North believed he had the authority to use money from the arms sales to help the contras.

"Casey's fingerprints are everywhere," one lawmaker said. Another said, "North surely needed the expertise and help of the C.I.A. to do all the things he did in Central America."

The Tower Commission, which concentrated on the arms sales to Iran and dealt much less thoroughly with the supply of the rebels, did not address in its report last month the issue of Mr. Casey's role.

But the commission took note of a memorandum written by Rear Adm. John M. Poindexter, the former national security adviser, saying he had told Mr. Gates that "the private effort should be phased out."

The report also noted that the Central Intelligence Agency's station chief in Costa Rica, who goes by the name of Thomas Castillo, had been instrumental in arranging for military supplies to be delivered to the contras, as the rebels are known.

Limited Immunity Voted

Last week, according to people familiar with the committees' work, the panels voted to give Mr. Castillo limited immunity from prosecution to compel his testimony on the matter.

The lawmakers and staff assistants said that Mr. Casey, who is hospitalized and being fed through a tube in his stomach, would almost certainly be unable to testify. But they said they hoped to document his role and that of the C.I.A. through the interrogation of what one person called "scores of people in the agency."

The joint public hearings of the committees, scheduled to begin May 5, will concentrate at the outset on the contra supply network, the panels' leaders said last week.

In preparation for those hearings, the committees have subpoenaed dozens of people, companies and organizations, casting a wide net for documentary evidence that might provide new leads in the investigation.

Subpoenas obtained from those who were served with them ask for "all materials pertaining, referring or relating in any way whatever to" more than 50 people, more than 60 companies and dozens of United States Government agencies and governments of other countries. The subpoenas specifically ask for all tax, bank and telephone records.

Among those mentioned in the subpoenas are familiar figures such as Colonel North and Richard V. Secord, a retired Air Force major general who had an integral part in both the arms sales to Iran and the shipment of supplies to the contras. But the subpoenas also mention such less publicized figures as Robert Lilac, a former staff member of the National Security Council who now works for the embassy of Saudi Arabia; José Bueso Rose, a Honduran military officer convicted of conspiracy in an assassination attempt, and Theodore Shackley, a former American intelligence official.

Senator Daniel K. Inouye, the Hawaii Democrat who is chairman of the Senate panel, said the subpoenas were "in the usual form."

Asked about the sweeping nature of the subpoenas, a staff assistant said, "You cast the net widely so you have a reasonable expectation you're not going to miss anything."

Other senators familiar with the subpoenas said lawyers for those subpoenaed would be able to negotiate with the committees' counsels to narrow the

demands if they proved unnecessarily burdensome. For example, the senators said, investigators might agree to demand bank records only for specific years.

Teams of Six Planned

In the six weeks before joint public hearings begin May 5, investigators plan to take sworn depositions from dozens of witnesses.

Many of the witnesses will not be called to testify in public, according to Senator Warren B. Rudman of New Hampshire, the top Republican on the Senate panel. He said he expected 25 to 50 people to testify at the public sessions.

Plans now are to divide the committees into teams of six, composed of one senator and one representative from each party and two staff lawyers. Each team will concentrate on specific witnesses or a specific aspect of the investigation and will be in charge of presenting this testimony at the public hearings.